

Budget Guidance for the Planning and Evaluation Partnership

□ Budget Structure

The proposed budget is expected to define revenue and spending which support the work plan. The Division of Substance Abuse (DSA) disburses funds through expense reimbursement contracts, under which contractors spend their own money first and bill the Department for reimbursement monthly. While proposed budgets can be reasonably accurate, they are estimates and may differ from the actual expenditures during the year. DSA requests that projected budgets reflect revenues from all sources related to the projects (e.g. school cost share for the KIP survey). (Column C of the Project Budget and Financial Report form).

Spending occurs in three broad categories: Personnel, Operating and Management Fee. For our purposes, Operating contains two major components related to purpose of expenditures (see below) which we feel are important and need to be budgeted and monitored throughout the year.

1. Personnel

Operating:

2. Project Implementation
3. Support (facility, office, equipment)
4. Management Fee

DSA requests the personnel costs and two categories of operating costs be defined in line items. Line items should be described in a narrative, justifying the cost of each line item. **Your dollar entries on the Project Budget and Financial Reporting Form (PBFR) may be limited to summary totals for these four categories, provided only that the line item expenses under each category are well detailed in the Justification. The same form is used for monthly billing.**

□ Budgeting Phases

In the **planning** phase (P&B), budgets are requested, and approved, at a detailed level of information and justification - i.e., the line items of expenditure. Approval is based on careful review of these details. There should always be a clear correlation between the work plan and the budgeted line items, which fund a particular task. The budget and work plan then become components of the contractual agreement between the contractor and the DSA.

In the **actual** phase (throughout the state fiscal year), each Project Budget & Financial Report Form is monitored by the Division to see that expenditures are within and consistent with the approved budget, and are consistent with the work plan.

❑ **Management Fee**

Propose a fixed monthly management fee, to include indirect administrative costs to the vendor.

Narrative Justification Document

In order for the budget to be approved, you must provide detailed explanation for proposed expenditure line items summarized within categories on the "Project Budget and Financial Report."

Contractors are expected to complete the "Project Budget and Financial Report" form (PBFR) which summarizes the cost categories, and also submit a Narrative Justification. For each item in the Narrative Justification, indicate the budget category and line number of the PBFR that correlates to that item. **The Narrative Justification must accompany the PBFR.**

Contractors are asked to show in the narrative justification the costs associated with each of the three projects in the scope of work.

Contractors are asked to submit the following items in detail.

1. Personnel Related Expenses

- ◆ For each position, please list each individual's **name, title, salary, & percent of salary** charged to this contract;
- ◆ Enter the sum of all salaries.
- ◆ List the percentage of total fringe benefits to total salaries and compute amount.
- ◆ If applicable, explain amount budgeted for other Personnel-related cost (e.g. contractual staff augmentation, staff recruitment, advertising, etc). This cost may also be included within PBFR line 1.

Operating Expenses

2. Project Implementation: Expenses related to implementation of the projects may be summarized on the PBFR form. The justification must detail expenses such as:

- ◆ Materials, duplicating, printing
- ◆ Supplies
- ◆ Postage
- ◆ Professional development, education and training
- ◆ Travel
- ◆ Meeting/event costs
- ◆ Cost of intervention evaluation instruments and protocols, pre/post tests, etc.
- ◆ Cost of KIP survey questionnaires and related costs.

- ◆ Expenses related to subcontracts

3. Support: The justification must detail expenses such as the following:

- ◆ Facility - Floor space (show price/value per square foot times square feet occupied).
- ◆ Utilities (electricity/water/sewer/etc.) total cost or cost share.
- ◆ Telephone/FAX/internet
- ◆ Equipment - New/replacement equipment purchase(s), equipment maintenance/repair costs.
- ◆ Other costs [describe specifically].

4. Management Fee

In the Narrative Justification, show the computation of budget for the management fee.